



Comptroller Mychajliw Completes First 100 Days in Office

Stefan I. Mychajliw reviewed his own office first, cut his own budget, implemented reforms, eliminated patronage, and completed more reviews in 100 days than were done in all of 2012

(Buffalo) – The office of Erie County Comptroller Stefan I. Mychajliw released a lengthy list of reforms, initiatives, and accomplishments that were completed in the first 100 days of his administration. In some cases the amount of work done in the first three months in office surpassed work done for all of 2012. Numerous reform initiatives were put in place that was not done by previous administrations.

"I am proud of the reforms we initiated in the first 100 days of my administration. The office I inherited was an absolute disaster. We cleaned our own house first. Our audit and finance teams reviewed our own office and implemented cost-saving initiatives. Lower level patronage was eliminated and replaced with professional accounting positions. To lead by example we even cut \$100,000 out of our own budget," said Comptroller Mychajliw.

Reform Plan Passed

Eliminated \$100,000 out of our own budget, cut lower level patronage positions, and strengthened the finance staff by adding professional accounting positions, while reducing our own budget. Previous administrations had those lower level clerical positions conduct work that should be done by professional accountants.

Cash Crisis Averted

During his very first week in office Comptroller Mychajliw identified, managed, and resolved a cash crisis that involved a \$15 million payment to Erie County Medical Center (ECMCC). A \$1.4 billion operation didn't have enough money to make the payment at the beginning of the year. An agreement was finalized between the Office of Comptroller and ECMCC to delay payment from January to March 2013.

Succession Plan Created

Nine out of eleven accountants can retire within five years. Previous administrations never created a succession plan to preserve the integrity of the office. Comptroller Mychajliw's administration created a formal succession plan to protect taxpayers and make sure the office will be managed if mass retirements take place.

Audit Plan Created

Previous administrations did not complete a formal Audit Plan to organize and structure the work being done by auditors for the entire year. Under the leadership of Deputy Comptroller for Audit Teresa Fraas, a 2013 Audit Plan was completed, giving our team guidance and structure to increase the number of audits and reviews, and to finish them in a timely manner.

Audit Staff Accountability

Auditors now must work on multiple audits at the same time, thus increasing productivity. Specific schedules are set and deadlines are in place for auditors on when work must be completed.

Amount of Reviews Drastically Increased

Our audit team already completed seven reviews in the first 100 days: Comptroller's Office Reform Plan, Acupuncture and Massage payments, 80-inch big screen television purchase, "\$100,000 Club," Sheriff's Department Stadium Pay for 2012, Property Tax Exemptions for seniors, and response to the external auditor's management letter report for 2012. To put things in perspective, the previous administration finished three reviews for all of 2012.

Responsibly Sounding the Alarm

Comptroller Mychajliw reasonably and responsibly sounded the alarm on numerous fiscal issues that could negatively impact the 2103 budget and future budgets. A red flag was raised when it was announced the county may have to issue a Revenue Anticipation Note (RAN) this summer for \$110 million, a high sum not seen since the Red/Green Budget years of 2005 and 2006. The Comptroller's Office also warned the Legislature that the administration's 2013 sales tax revenue projections might be off, which could create gaps in this year's budget. Following Comptroller Mychajliw's warning, the issue was addressed by the administration during a committee meeting:

"We think the budget for sales tax this year is overly optimistic. We are not going to make budget on that."

Source: Erie County Deputy Budget Director Dr. Timothy Callan, Erie County Legislature Finance and Management Committee, March 14th, 2013

Audit Projects in Progress

We are working on multiple audits and will far surpass the three audits completed for all of 2012. The current audit staff of four (down two positions) are currently conducting audits of: Temporary Assistance Certifications and Eligibility, Medicaid Certifications and Eligibility, Social Services Payments for the Homeless, Central Police Services Grants, and Fleet.

Bank Reconciliations Abandoned

The previous administration stopped completing bank reconciliations on November 8th, 2012. The massive backlog of "bank recs" and paperwork was similar to the one found by Erie County Clerk Christopher Jacobs when he first took office and found \$3 million in un-cashed checks. Associate Deputy Comptroller Douglas Riffel, CPA, completed 93 bank reconciliations from 31 separate banking accounts.

Openness and Transparency in Selecting Contracts

Even though the contract for the County Comptroller's external financial advisor expired in 2011, the previous administration continued to use the same firm in 2012 without putting the work out to bid and without a formal contract in place. Comptroller Mychajliw stopped that process and just released a Request for Proposal (RFP) for the next year's contract. A separate review of bank contracts shows the last bid was put out in 2006. The Mychajliw administration is now preparing an RFP for banking services to make the process open, honest, and transparent.

Professionalism in Personnel

For the first time since 2006, a Certified Public Accountant (CPA) was appointed Deputy Comptroller for Audit. Teresa Fraas has 30 years of private sector auditing and accounting experience, and is the first woman ever appointed to that position. The University at Buffalo graduate earned a Bachelor of Science in Accounting, is a member of the Institute of Internal Auditors (IIA) and Health Care Compliance Association (HCCA), and most important, is a CPA.

Gregory Gach, former Erie County Budget Director, was appointed Deputy Comptroller for the Accounting/Fiscal Division. He has 28 years of municipal accounting experience with Erie County and Erie Community College. Mr. Gach served as Erie County Budget Director under current United States Congressman and former County Executive Chris Collins, and as Deputy Comptroller for Finance under former Erie County Comptroller and current Erie County Executive Mark Poloncarz. He has a Bachelor of Science in Accounting and an MBA in Financial Planning.

Mr. Douglas Riffel, CPA, was appointed Associate Deputy Comptroller. His accounting career began in 1983 by working as a CPA with Stegmeier & Smith, followed by employment with Gould & Swanson up until 1989. Mr. Riffel has managed his own CPA firm since 1990. The Saint Francis High School and Oral Roberts University graduate majored in accounting and earned a Bachelor's Degree in Business Administration.

80-inch big screen television

The Office of Comptroller questioned the need to spend almost \$5,000 for an 80-inch big screen television, and how the large expense was purchased through the Buildings and Grounds Department, rather than the Erie County Executive's Office where it would be placed in a conference room.

Promoting From Within

Three open positions within the Accounting/Fiscal Division became available since Comptroller Mychajliw took office and all have been filled from within the ranks of current employees with vast accounting experience. The positions filled with experienced internal candidates were for Director of Grant Accounting Services, Chief of Accounting Services, and an accountant.

Getting the Job Done

In addition to implementing reform initiatives and strengthening professional standards, the Office of Erie County Comptroller completed numerous projects which include: Capital Bond closing on 2013 for capital projects totaling \$29,649,733, Refunding Bond closing on \$31,975,000 in 2003, 2004, and 2005 bonds, and preparing cash advances \$3,000,022 due April 22nd, 2013 pertaining to the Buffalo Bills lease deal.

###

www.erie.gov/comptroller